



# Office of Mayor and CEO

Monthly Review

Period - November 2016

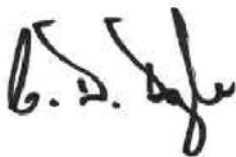
<b>OVERVIEW</b> .....	<b>3</b>
<b>SAFETY</b> .....	<b>4</b>
1.1. Summary.....	4
1.2. Incidents and Injuries.....	4
<b>KEY INITIATIVES</b> .....	<b>10</b>
2.1. Summary of key projects and initiatives.....	10
<b>Major Project Updates</b> .....	<b>14</b>
3.1. Dudley Denny City Library Report.....	14
3.2. Staff Accommodation Project.....	20
3.3. Mackay Regional Sports Precinct Project.....	21
3.4. First Principles Review Summary Report.....	24
3.5. Investigation into Mackay Region Fuel Pricing.....	26
3.6. Enterprise Agreement (EA) Negotiations Update.....	32

## OVERVIEW

This report is for the Office of the Mayor and CEO for November 2016.

Significant items in this period include:

- Our safety journey continues with development of a three year strategic plan for safety, health and wellbeing. One LTI occurred at the MECC in October with one day lost time. There is three LTI's year to-date with a total of six days lost in total.
- A number of activities were held in support of Mental Health Week. This included turning the fountain purple, odd-socks day, the 'what makes you happy' photo competition, and staff BBQs / information sessions presented by Gryphon Psychology. All activities were well supported and received tremendous feedback.
- GW3 is now a formal entity as at Friday 28 October. Recruitment of the Chair has now been finalised; recruitment of the CEO by end December and Directors by end December 2016.
- The 2016-2020 Corporate Plan has been reviewed by Council and will be ready for endorsement by end of 2016.
- The First Principles Review of Council operations are on track with 22 key focus areas identified for further analysis.
- The New Dudley Denny City Library is now nearing completion with an opening date set between 12-16 December.
- The Mackay Sports Precinct project is awaiting receipt of the funding agreement from the federal government before any further works can commence.



**Chief Executive Officer**

# SAFETY

## 1.1. Summary

Thirty incidents were reported during October, fifteen of which involved some sort of injury.

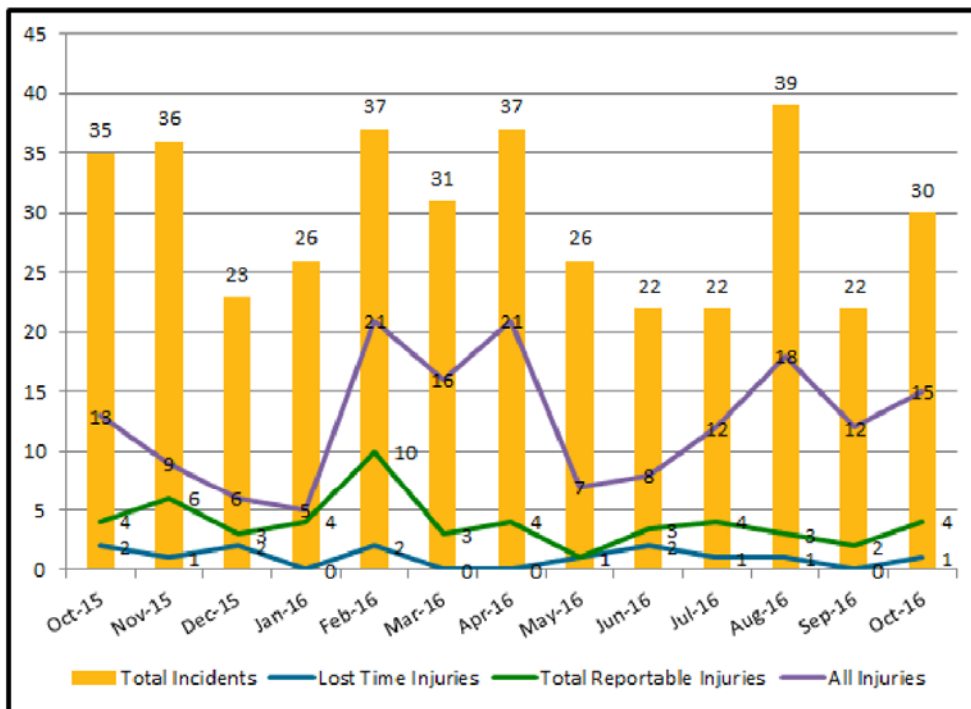
One of these incidents resulted in lost time: a worker suffered a minor foot injury after the glass door of a food cabinet became dislodged and fell.

For 2016-17 year to date, there have been three lost time injuries recorded, with a total of six days lost – one in October.

A number of activities were held in support of Mental Health Week. This included turning the fountain purple, odd-socks day, the 'what makes you happy' photo competition, and staff BBQs / information sessions presented by Gryphon Psychology. All activities were well supported and received tremendous feedback.

Staff from across MRC attended the Safe Work Month 2016 Breakfast – hosted by WHS Queensland. We heard from Queensland Safety Ambassador Shane Webcke who shared his own story about how he lost his dad in a workplace incident.

## 1.2. Incidents and Injuries



This graph shows the total number of safety-related incidents and injuries recorded across all of council.

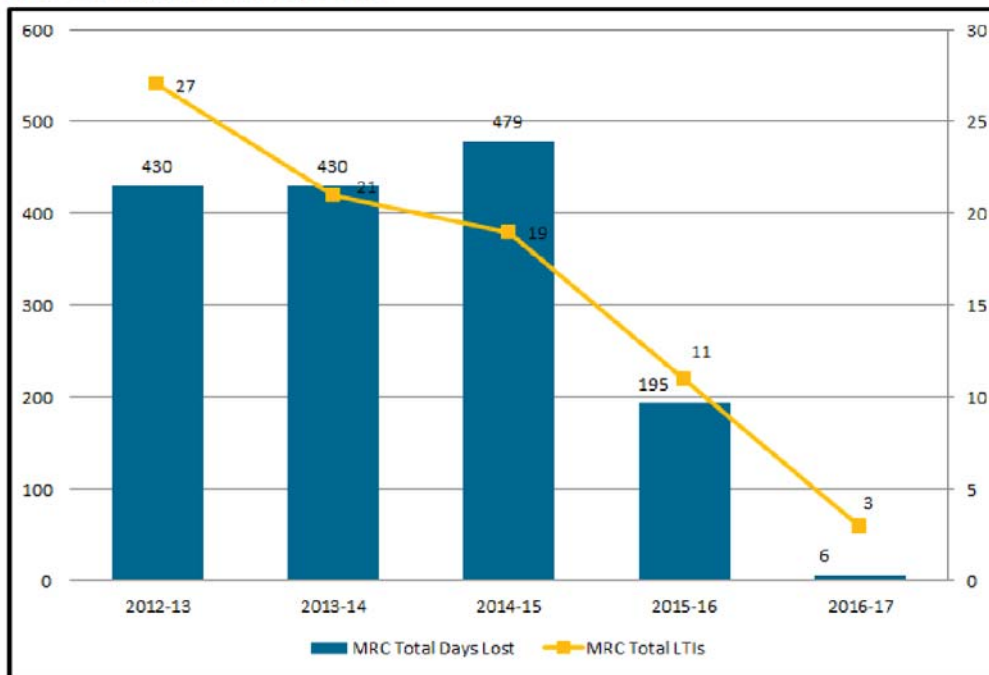
Of the 30 incidents reported, 15 involved an injury, including:

- A lost time injury where the glass door from a food cabinet came off its tracks, falling and hitting a worker's foot. One day was lost.
- A staff member tripped over a sand bag that was being used as a door stop, twisting their ankle.
- An employee who was nicked on the back of the hand by a chainsaw, which was disengaged. The worker received medical treatment for a minor cut.
- A first aid injury after a worker was stung by a wasp.
- A worker suffered a lower back injury while picking up palm fronds.
- Reported back pain which developed after unloading and setting up park furniture.
- Two first aid injuries relating to sprain and strains, injuring backs.
- A first aid injury to a worker who suffered a minor sprain injury as a result of a fall.

Near misses included vehicle incidents and minor property damage, and reflect a positive reporting culture.

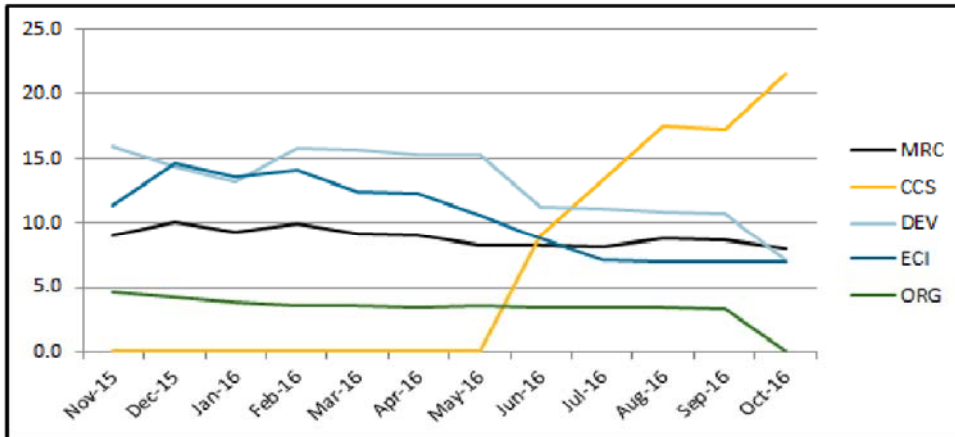
Each incident is investigated and appropriate corrective measures implemented, to reduce future risks.

**Lost Time Injuries and Days Lost**



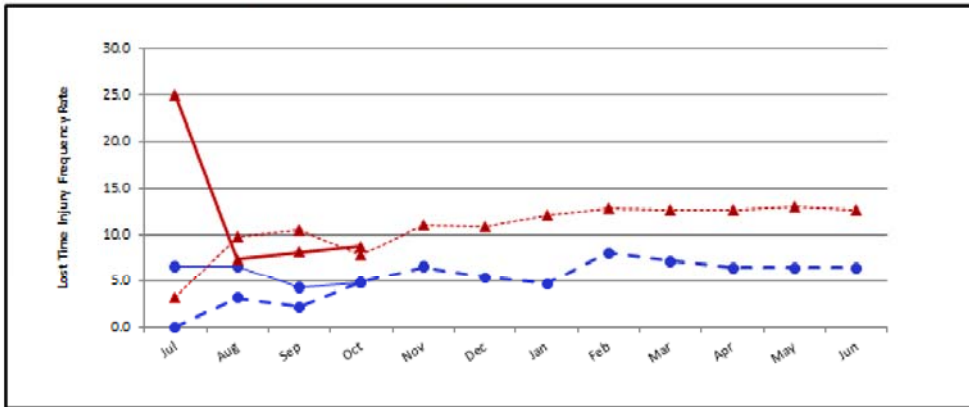
Department	2012-13		2013-14		2014-15		2015-16		2016-17	
	LTI	Days Lost	LTI	Days Lost	LTI	Days Lost	LTI	Days Lost	LTI	Days Lost
Community & Client Services	3	15	5	155	1	11	2	4	3	6
Organisational Services	3	24	1	4			1	4		
Development Services	9	130	7	201	4	164	3	29		
Engineering & Commercial Infrastructure	12	261	8	70	14	304	5	158		
<b>Mackay Regional Council</b>	<b>27</b>	<b>430</b>	<b>21</b>	<b>430</b>	<b>19</b>	<b>479</b>	<b>11</b>	<b>195</b>	<b>3</b>	<b>6</b>

**Injury Frequency Rates 12 month rolling average**



All areas are realising a reduction in LTIFR with the exception of Community & Client Services (CCS). The rise in the Community & Client Services average frequency rate reflects the five LTIs recorded in June, July, August & October.

**Lost Time Injury Frequency Rate Comparison**



**Legend**

MRC	This year	
	Last year	

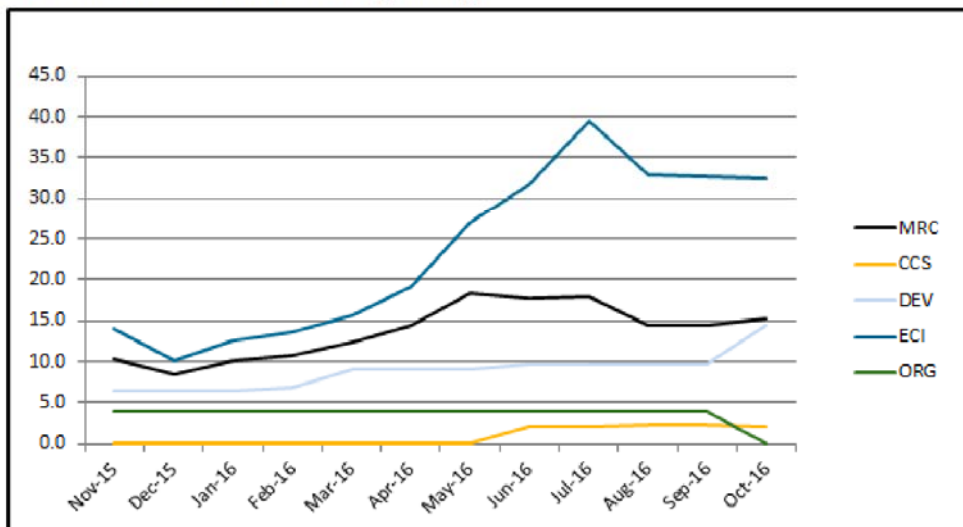
All Group E Councils	This year	
	Last year	

This data is provided by MRC's workers compensation insurer LGW, and depicts the cumulative LTI frequency rate over the course of the current financial year compared to comparable councils (Group E councils).

As at 31 October, MRC had recorded three LTIs. This has resulted in a LTI frequency rate lower than the *All Group E Councils* rate but similar by end of October for the same timeframe last year.

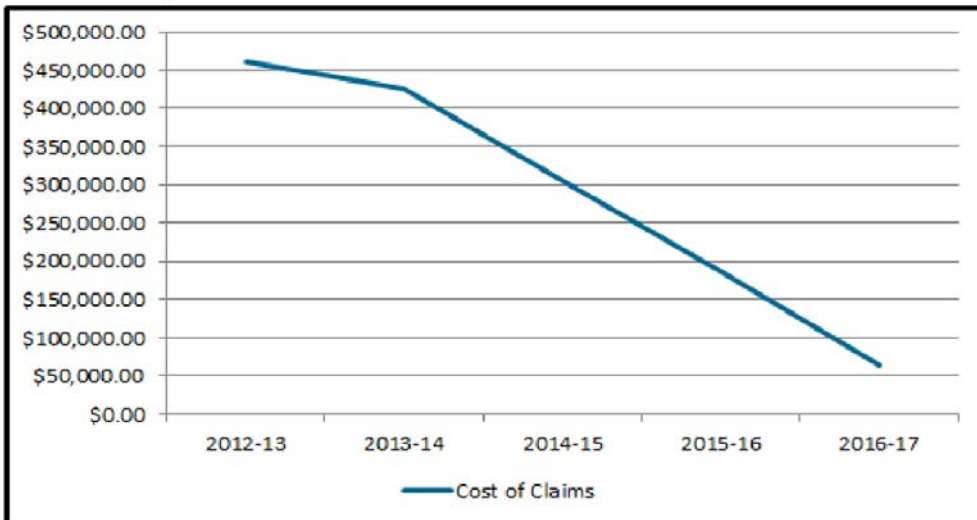
Where applicable, this data includes 'journey claims' ie injuries sustained while travelling to and from work, as these are included in the *All Group E Councils* data.

**Duration Rates 12 months rolling average**



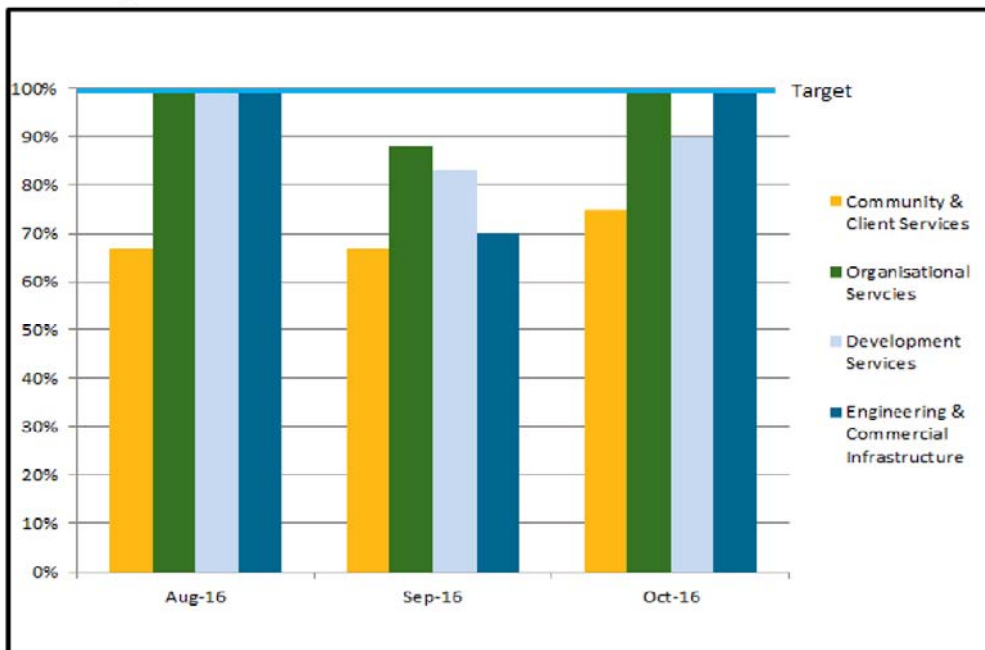
This graph shows the average severity of injuries calculated on 12-month rolling average. The recent increase in the duration rate for Engineering and Commercial Infrastructure was attributable to a reduction in the number of LTIs, but an increase in the severity of those injuries. For example, a single injury last year associated with a fracture, accounted for 80 days lost work.

**Workers Compensation Claims Costs**



Reduced workers compensations costs are an indicator of improved safety outcomes and will result in lower insurance premiums over time.

**Hazard Inspection Checklists**

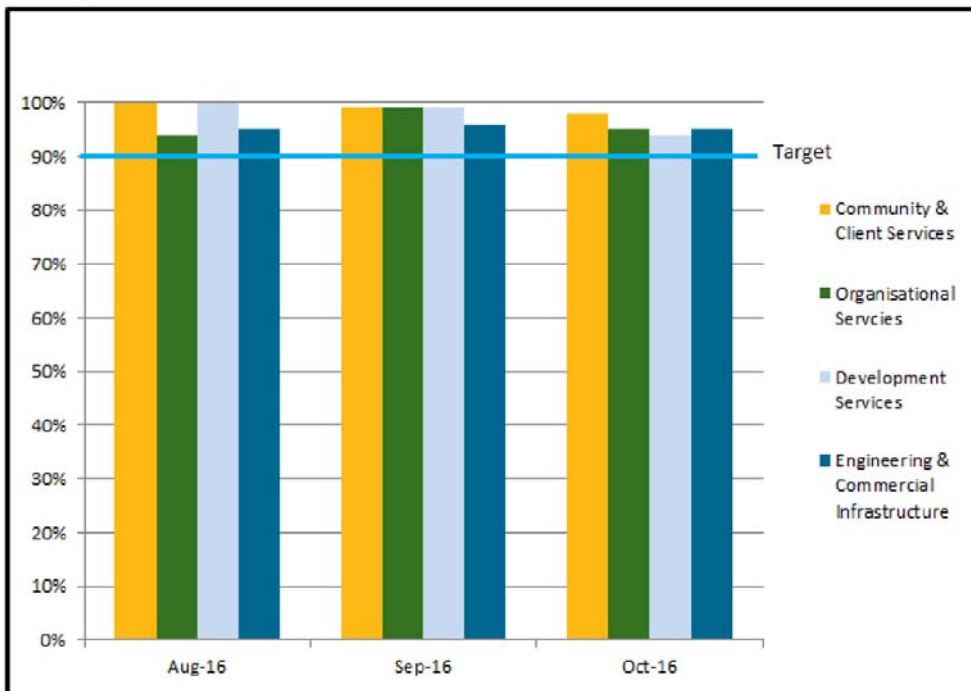




A hazard inspection is a planned activity in which the workplace is inspected, following a checklist, to identify and report potential hazards to be eliminated or controlled. Hazard inspections are an important element of MRCs safety system and help to prevent work-related injury and illnesses. CCS is below target for October again due to annual leave and absenteeism of key resources.

A target of 100% has been set for the completion of scheduled hazard inspections. Data is shown as recorded at the end of the month. Further inspections have been completed in subsequent months.

**Monthly Action Plans**



Monthly Action Plans (MAP) are planned safety-related actions allocated to work groups over a 12-month schedule and are developed in response to identified risks.

A target of 90% has been set for the completion of MAP items. Data is shown as recorded at the end of the month. Further actions have been completed in subsequent months.






**Glossary**








Group E	Councils with wages greater than \$50 million
Incident	Any unplanned event resulting in, or having a potential for injury or ill health.
Lost Time Injury (LTI)	Incidents that resulted in a fatality, permanent disability or time lost from work of one day / part of a day or more
Lost time incident frequency rate (LTIFR)	The number of lost-time injuries per million hours worked. Calculated as follows: $\frac{\text{No of LTI} \times 1,000,000}{\text{total hours worked during period}}$
Duration rate	$\frac{\text{Days Lost}}{\text{\# of LTIs}}$
Reportable Injuries (RI)	Incidents that result in a Lost Time Injury (LTI), Suitable Duties Injury (SDI) and Medical Treatment Injury (MTI)





## KEY INITIATIVES


This section provides a summary of key initiatives linked directly to the Office of the Mayor and CEO. Many of these initiatives utilise staff and resources from key areas of the business however are not necessarily reported through Standing Committee reports.




### 2.1. Summary of key projects and initiatives

Strategy	Action	Measure	Start Date	Est Complete Date	Status	Comments
Diversify Mackay's Economy	Facilitate the creation of an economic development body for the region, which reflects Council's role in regional economic development [NCP]	Economic development body formed	May -16	Sep-16		<p>GW3 is now a formal entity as at Friday 28 October. Recruitment of the Chair is now complete with John Glanville now selected; recruitment of the CEO by end December and Directors by end December 2016.</p> <p>A commercial agreement has been now been completed for GW3 to lease an office at the Ground Floor of the Dome building in Mackay City Heart.</p>
Co-investment for development	Identify opportunities to attract co-investment in regional priorities and strategies from State and Federal Governments and the private sector through strategic partnerships	Identify shovel ready projects and initiatives and develop business cases for these.	June 16	Ongoing		<p>The new economic body formation (GW3 as explained above) will allow a unified regional focus with key funding applications and canvassing support from the State and Federal government. The formation of GW3 will also realise a seat on the Northern Australia Alliance initiative effective from October 2016. Other Mackay specific projects will be progressed through MRC staff.</p> <p>A priority list of shovel ready projects has now been developed with business cases to be initiated within the next 6 months on the key projects identified by Councillors.</p>
Residential showcase developments	Assist Economic Development Queensland (EDQ) to undertake Woodlands residential 'showcase' developments	Completion of Stages 7 & 8 infrastructure civil works	June 16	Feb 17		<p>Contract for civil works for these stages have been now issued to Vassallo Constructions by EDQ. Progress is to plan and expected to be completed in December.</p>
Promotion of local suppliers and local stimulus	Undertake standard review of the Procurement/Local Buy policy	Complete Review with endorsement by Council	July 16	Dec 16		<p>Review completed with briefing to Council to occur on 23 November with final policy to be submitted to Council for review by January 2017.</p>
Corporate Strategy Alignment	Review of Councils 2015-2020 Corporate Plan	Plan reviewed and updated for 2016 – 2021 and endorsed by Council	June 16	Sept 16		<p>Strategy day held by Councillors on November 10 with document expected to be finalised by December 2016 ready for submission to full Council for adoption.</p>

Strategy	Action	Measure	Start Date	Est Complete Date	Status	Comments
Advocacy for the Mackay Ring Road	Support the State Government progress Stage 1 of the Mackay Ring Road	Ring Road Stage 1 is progressed	2015	2018		Stage 1 of the Ring Road is now fully funded and due for commencement of works in 2017.
	Advocate for State and Federal Government support for Stage 2	Number of advocacy activities undertaken	Jul 16	June 17		Limited advocacy and work undertaken on Stage 2 in this period.
Advocacy for Mackay to Bowen Basin Service Link	Seek funding for the construction of the Mackay to Bowen Basin Service Link Number of advocacy activities undertaken	Funding commitment	July 16	Ongoing		Discussions held with Transport Minister and Director General (DG) in October at Cabinet in Community at Proserpine.  Further discussion on timing and funding will occur between CEO's Office and the DG's Office prior to end of 2016.
Mackay Regional Sports Precinct	Advocate for, and help facilitate the construction of the CQ University Mackay Campus Sports Precinct master plan	Construction activities commenced, subject to funding approval	July 16	Jun 17		Project costs for Stage 1 of \$20M. Confirmation received from Federal Government in September on intention to provide \$10M funding for this project. Remaining \$10M funding will be from MRC.  Several discussions held with Federal Government on funding agreement with expectation agreement will be forthcoming for MRC review by end of November.  Discussion with State Ministers on possible additional funding for lighting at athletics track etc has also taken place with funding opportunities to be identified.  See more detail on this project later in this report.
Northern Australia Services	Undertake a review of the Northern Australia Services Transition and Transformation process on completion of 1 year [NCP]	Review completed and recommendations implemented.	June 16	Sep 16		Review complete.
People and Culture	Review and revise the performance planning and review process for managers and directors [NCP]	New process implemented	July 16	Dec 16		Limited work undertaken in the period on this initiative.  A strategy session with the full Management Team took place on 10 <sup>th</sup> /11 <sup>th</sup> November.
Governance and Performance	Create cost savings and efficiencies through the delivery of in-house legal services	Increased percentage of legal services provided in-house.	July 16	Jun 17		Active legal cases are reducing as we clear up some legacy issues. New Internal Legal advisor commenced in late August.  On track to reduce legal costs from 2015/16.

Strategy	Action	Measure	Start Date	Est Complete Date	Status	Comments
		Savings in overall legal costs compared to 2015/16				
Best value service	Undertake a 'first principles' review of Council's activities and services [NCP]	Review completed and recommendations presented to Council	July 16	Apr 17		Progress on plan with update provided to councillors in early November. More detail provided in separate report below.
Industrial Relations	To commence negotiations for 2016 EA with workforce.	Complete new EA	July 16	Feb 17		The legal process has now been finalised between the State, Unions and LGAQ.  First meeting with Unions took place on 13 October with planned timeframe agreed.
Stimulate Local Economy	Identify opportunities to attract people to Mackay to live and visit	Finalise and implement initiatives that result in increased population growth	July 16	June 17		An initiative to attract permanent migration from Southern States (in particular Sydney/Melbourne) to move to Mackay and live. A visit of seven journalists from key publications focused on semi-retired/retired audience occurred on 21 <sup>st</sup> /22 <sup>nd</sup> September and included; <ul style="list-style-type: none"> <li>• The Senior Newspaper</li> <li>• Australian Over 50's Guide</li> <li>• Australian Caravan &amp; RV Magazine</li> <li>• Probus South Pacific</li> <li>• RACQ Road Ahead Magazine</li> <li>• Daily Mercury</li> <li>• Cruising Helmsman</li> </ul> The visit was very well received and we expect very positive outcomes in each publication in coming months. Tracking of results from visit will be summarised and presented to council. A copy of the draft Australian over 50's magazine article will be provided by end of November.
Improved Efficiency	Identify initiatives to improve cost management and improve ratepayer service delivery.	Achieve 2016/17 budget and aim for reduction in deficit for 2016/17 by > \$2m	July 16	June 17		A review of the management of cash reserves and borrowings took place with QTC in August. Opportunities to reduce borrowings by paying out loans are limited due to market movements against original loan terms.  Opportunity to utilise cash reserves more efficiently is being investigated with QTC.  A number of initiatives are being investigated into reducing

Strategy	Action	Measure	Start Date	Est Complete Date	Status	Comments
						Council's >\$6m annual electricity costs. An Expression of Interest (EOI) process has been approved and will be released by mid-November. Working with QTC and an external consultant on development of the EOI.
Mackay Region Fuel Prices	Investigate Mackay region fuel pricing and comparison with other regions	Track terminal price and retail price data	Oct 16	Ongoing		Data has continued to be collected and is provided later in this report. Data will continue to be collected and a report provided for several months.

 On Track      Potential Issues      Definite Issue

## Major Project Updates

### 3.1. Dudley Denny City Library Report

#### 3.1.1 Project details

<b>Client Department</b>	Community & Client Services
<b>Delivery Department</b>	Engineering & Commercial Infrastructure
<b>Project Name:</b>	Dudley Denny City Library, 134 Victoria Street, The Dome
<b>Project description:</b>	Construction of a new city library in the Mackay City Centre, in an existing two storey building gifted to Council by David Denny
<b>Project Manager:</b>	Project Manager – City Centre Projects, Jim Carless
<b>Project Budget</b>	\$8,248,741

The Project Control Group (PCG) for this project meets monthly and more frequently as required. The project group consists of:

- Jim Carless - Project Manager
- Craig Doyle - Chief Executive Officer
- Jason Devitt - Director Engineering & Infrastructure
- Bridget Mather - Director Community & Client Services
- David McKendry - Executive Officer

#### Project status summary

#### 3.1.2. Activities for period

##### Major project activities

<i>Outline of recent and planned activities on site;</i>	
<b>Recent activities (past month)</b>	<ul style="list-style-type: none"> <li>• Completed all plasterboard sheeting and setting to main areas</li> <li>• Complete lift install</li> <li>• Continue glazing install</li> <li>• Completed wet area tiling</li> <li>• Commenced entry and terrace floor tiling</li> <li>• Install new fire cabinets in ground floor</li> <li>• Construct new pump house and storage tanks for fire</li> <li>• Install commenced to dry fire systems to ground floor</li> <li>• Install continued to false floors throughout library</li> <li>• Continue painting</li> <li>• Electrical and data install and fit off</li> <li>• Install cabinetry</li> <li>• Install WC and tapware</li> </ul>

<b>Outline of recent and planned activities on site;</b>	
<b>Scheduled activities (next month)</b>	<ul style="list-style-type: none"> <li>• Complete building works</li> <li>• Complete landscape and play area to north terrace</li> <li>• Complete car park works</li> <li>• Complete RFID and equipment installation</li> <li>• Complete shelving install and collection move from existing library</li> <li>• Complete loose furniture install</li> <li>• Complete Staff on-site training</li> <li>• Complete defects identification</li> <li>• Gain certificate of occupancy</li> <li>• Open Library</li> </ul>

### 3.1.3. Budget & Scope

See below summary of financials as at 15<sup>th</sup> November 2016.

Description	Actuals & commitments	Budget	Remaining Expenditure
Design & Planning	\$774,210.25	\$744,589.00	-\$29,621.25
Project Management	\$302,507.67	\$296,461.00	-\$6,046.67
Demolition	\$176,848.44	\$180,000.00	\$3,151.56
Main Construction Activities	\$5,660,120.00	\$5,660,120.00	\$0.00
Other Construction Activities (car park, landscape, furniture, playgrounds etc)	*\$974,033.36	*\$1,173,470.00	*\$199,436.64
Project Contingency	\$199,533.47	\$194,101.00	-\$5,432.47
	\$8,087,253.19	\$8,248,741.00	\$161,487.81

\* The children's internal feature and additional external playground and landscape areas were late scope additions to the project and were approved by Council in September and as such, it is anticipated the additional associated costs of \$220,000.00 will be incurred by the end of the project. The final estimated total spend will subsequently be ~\$8.47M.

### 3.1.4. Schedule

The completion and handover date from contractors to MRC is planned for 9 December 2016. The Opening date is now expected to be in the period of 12 – 16 December with actual opening day to be confirmed in coming weeks as construction nears completion.

A "soft" opening will occur in the week of 12 -1 6 December with a formal opening likely in early February 2017.

#### Progress photos



*Install floating floor to main collection areas*





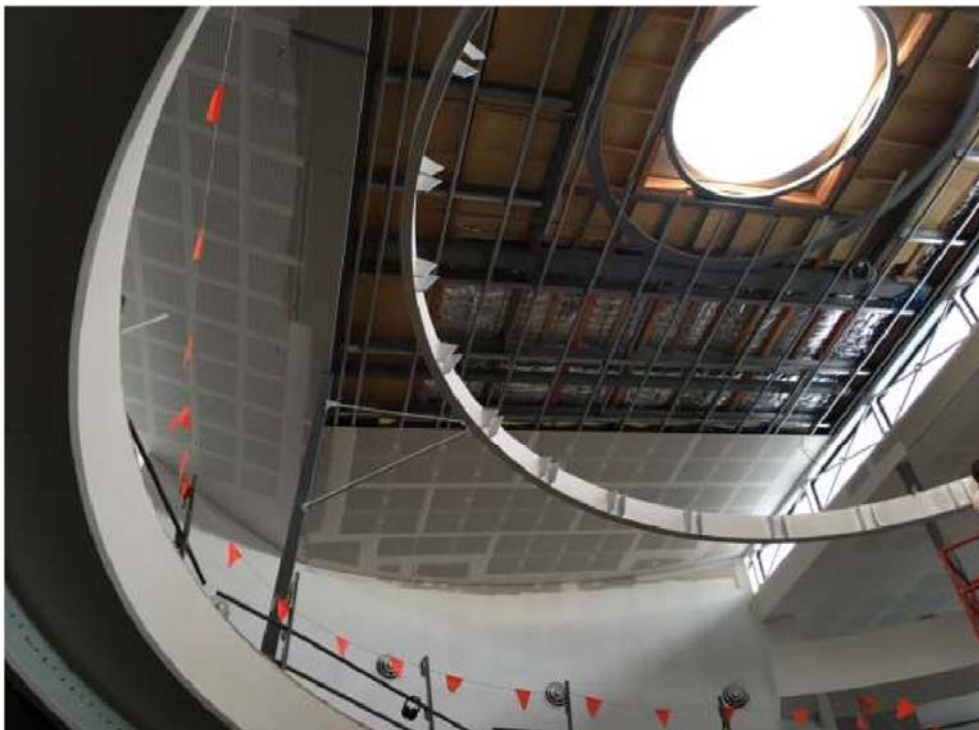
*Frame for the Children's Pod*



*Frame install for elevated reading pod in Children's Area*



*Glazing install to staff meeting room*



*View from The Dome mall into new library space*



*Rear of building, North Terrace*

## **3.2. Staff Accommodation Project**

### **3.2.1. Introduction**

The Staff Accommodation Project comprises of two main components being firstly work associated with refitting sections of 42 Wellington Street and Sir Albert Abbott Administration Building (SAAAB) and secondly work associated with City Library Building (CLB).

### **3.2.2. Project Delivery**

Refitting of the old Training and HR area at the rear of 42 Wellington Street was completed Friday, 4th November 2016. The work included, new carpets, painting, fire protection & emergency lighting upgrades, data cable upgrade to CAT6a and a major clean-up of the outside staff area.

Completion of mentioned work facilitated the Health and Regulatory Program being relocated from the Daily Mercury building to 42 Wellington Street on Saturday, 5th November 2016.

Re-use of desks, dividers and drawer units held in storage has saved Council an estimated \$50,000.00, the same process will be used where possible for remaining fit-out work.

The relocation of the Health and Regulatory Program allowed the following sections of the Community & Client Services Department to be relocated from the SAAAB to the Daily Mercury building on Saturday, 12th of November 2016:

- Director Community & Client Services and Executive Assistant
- Manager Community Lifestyle
- Community Programs - Community Development, Arts Development, Sport and Rec
- Community Engagement

Work on the first floor of the SAAAB to office space located near the server room is nearing completion with work on the ground floor of the SAAAB commenced on the 14th November 2016.

### **3.2.3. Project Cost**

Quotations have been received from John Foster Projects and FK Gardener for the approved scope of work to refit of the CLB, both quotations are currently being reviewed to ensure that pricing has been submitted for the same quantity of work.

### **3.2.4. Summary**

Project work for Stage 1 of the project is progressing in line with timeframes and budget with preparation work for Stage 2 progressing to facilitate refitting work on the CLB commencing as soon as the DDCL project is completed. The slight delay in the DDCL opening has affected the timeline for this stage by ~ 2 weeks with possibility we will require the lease on the ex-Daily Mercury Building to run for one month into January later than the 31 December plan.

### 3.3. Mackay Regional Sports Precinct Project

#### Project Status Report as at 15 November 2016

The Mackay Regional Sports Precinct is a partnership proposal between Mackay Regional Council, Central Queensland University and sporting associations in Mackay. The overall vision is to jointly develop a multi-facility Precinct which caters for the future growth of Mackay and meets the clearly identified future planning needs for sport and recreation in the region.

#### 3.3.2 Project outcomes for Stage 1

The outputs of Stage 1 (1a and 1b) of the Precinct will include the following deliverables:

Stage 1a - Athletics Facility including synthetic surface running track, and field event facilities. The associated clubhouse building will include spectator stands, general lighting (excluding field lighting), roads/drop-off areas, path links within site and landscaped surrounds.

Stage 1b – Aquatic Centre includes a 50 metre outdoor pool, heated pool and program pool, as well as reception and amenities buildings.

Car parking facilities, security lighting/CCTV cameras and site infrastructure will also be delivered which comprises the services required to the overall site. These include sewerage, water supply, electricity, communications services and minor stormwater.

Items including athletics equipment and clubhouse/kitchen 'loose' items such as furniture and equipment are not part of the project as they are not eligible for funding. Work will be undertaken with the ultimate facilities users over equipment including existing items held as well as other potential funding opportunities.

#### 3.3.3 Project budgets

Total stage 1 budget	\$19,996,196
NSRF funding requested	\$9,996,196

Cost Plan below as developed by AECOM:

Mackay Regional Sports Precinct – Cost Plan		
Description	Sub Total	Total
<b>STAGE 1A</b>		
TOTAL Entry Road and Drop-off	795,365	
TOTAL Athletics Field	1,865,630	
TOTAL Athletics Building	700,000	
TOTAL Path Link to TAFE	89,390	
TOTAL Field Events Facilities	25,000	
TOTAL Athletics Parking	202,317	
TOTAL Site Works	1,080,980	
Contingencies, design and management costs	1,652,318	
<b>TOTAL Stage 1A</b>		<b>6,411,000</b>
<b>STAGE 1B</b>		
TOTAL Aquatic Centre	9,746,150	

TOTAL Aquatic Centre Car parking	697,024	
TOTAL Site Works	511,586	
TOTAL ESD Initiatives Applicable to Stage 1b	25,000	
Contingencies, design and management costs 1b	2,556,240	
<b>TOTAL Stage 1B</b>	<b>13,536,000</b>	<b>13,536,000</b>
<b>Total Stage 1</b>	<b>\$</b>	<b>19,947,000</b>

### 3.3.4 Key project dates (Stage 1)

Key dates estimated below based on funding agreement being signed in November 2016;

Signed funding agreement (estimated)	Nov 2016
Commence preliminary design stage (3-4 months)	Dec 2016
Design package review (4 weeks)	May 2017
Tender Period - priced (2 months)	June/July 2017
Tender Assessment (1 month)	August 2017
Award main D&C contract	Sept 2017
Commence site works (15 months construction)	Sept 2017
Practical Completion	Nov 2018

*Note – The above dates will be subject to change if the funding agreement is not received and signed in November 2016 as previously anticipated. Completion date will likely be in early 2019 if the funding agreement is not received and signed in Nov 2016.*

### 3.3.5 Project status summary

Recent advice suggests the funding agreement should be received by Council by the end of November 2016.

### 3.3.6 Project Governance

The project is currently guided by a Project Control Group chaired by the Chief Executive Officer, Craig Doyle.

#### Project Control Group

The Project Control Group currently consists of the following membership;

- MRC Chief Executive Officer, Craig Doyle (Chair)
- MRC ECI Director, Jason Devitt
- MRC Director Community & Client Services, Bridget Mather
- MRC Executive Officer, David McKendry
- MRC Project Manager, Jim Carless
- CQU, Pierre Viljoen
- CQU Facilities Project Manager, Wayne Milsom
- CQU Campus Coordinator, Leanne Williams

The Project Control Group meets monthly.

A separate internal MRC sub-group of the above Project Control Group members meets monthly.

### 3.3.7 Track Relocation Update

The project team will continue to consider all options with regards the synthetic running track, including a new Mondo (pre-fabricated) surface, new applied synthetic surface, and the possibility of using the recycled, repurposed commonwealth games track.

### 3.3.8 Financial summary

Total spend to date on the project is \$46,715.42. This spend is necessary to ensure scope and costs are aligned with project objectives, however is not recoverable under the funding agreement. There has been no additional spend on this project in the last month while we await the Funding Agreement from the Federal Government.

### 3.3.9 Major Recent Project Activities

- Required information as requested has been provided to the Federal Government to enable the funding agreement to be prepared. Council awaits receipt.
- Appointment and commencement of Project Engineer Karlee Hayden, who has joined the team and is working on investigations, service co-ordination and project integration issues.
- Commencement of detailed project program
- Prepare brief for Geotechnical report.
- Preparation of draft terms of reference for lead consultant for concept design and specifications. This design and specification would then be used to form the basis of the brief for tendering a design and construct package.

### 3.3.10 Planned project activities

- Receive funding agreement and review prior to signing.
- Execute funding agreement, resulting in live project.
- Issue request for price for Geotechnical investigations and report.
- Issue request for price for lead consultant for concept design and specifications package.
- \* Request Expressions of Interest from suitably qualified and experienced contractors.

### 3.4. First Principles Review Summary Report

#### Work undertaken to date:

- Expenditure on expense categories collected and ranked in order of materiality. Further information gathered.
- Fees and charges revenue reviewed with initial data capture based on highest revenue generated and other selected fees.
- Net cost of all services provided by Council collated, and breakdown of cost per ratepayers, and cost per resident calculated. Further details gathered on particular services.
- Briefing with Councillors on identified key focus areas to move to the next stage occurred in early November. It was identified that some high level review of rating categories should also be included in this next phase of the project.

#### Areas selected for further review in the next phase:

<b>Fees and Charges</b>	<b>Services</b>	<b>Expense Naturals</b>
<b>Waste Disposal</b>	Grass Maintenance	Insurance
<b>Trade Waste</b>	Library Services	Consultants Fees
<b>Local Law Fees - Animals</b>	Horticulture Maintenance	Security
<b>Development Applications</b>	Arboriculture	Subscriptions & Memberships
<b>Cemeteries</b>	MECC	Printing & Stationery
<b>Local Law Fees – Parking</b>	Bluewater Lagoon	
<b>Health License Fees</b>	Artspace	
<b>Bulk Water Sales</b>		
<b>Sugar Shed</b>		
<b>Camping Grounds</b>		

#### Additional reviews in progress not forming part of FPR:

- Interest on Cash Management.
- Internal Plant Hire.
- Electricity.



**Details of next stage:**

- Focus groups to be established from the relevant areas with the support of a Director
- Templates to be developed and provided for completion at focus group sessions, enabling options to be reviewed and suggestions for improvement. Areas of focus will be revenue, costs, options analysis and sensitivity analysis of options.
- Finance to provide support and guidance with data and calculations including sensitivity analysis.

**3.5. Investigation into Mackay Region Fuel Pricing**

**Project Status Report as at 13 November 2016**

**3.5.3 Reported Data**

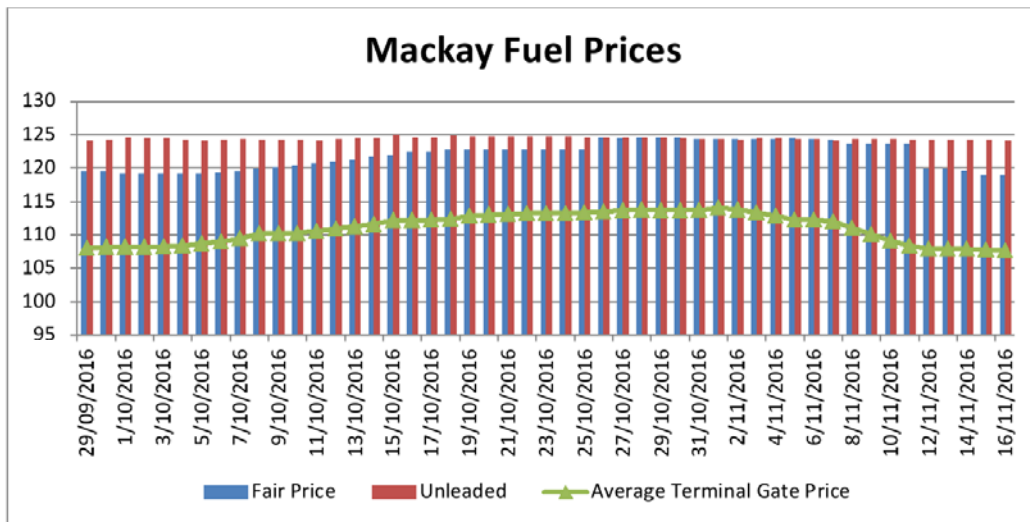
The Moranbah and Whitsundays fuel prices have been added to the graphs. The Whitsundays figure is the average price for the Whitsunday region including Proserpine and Airlie Beach. The data for each of these localities is not available separately.

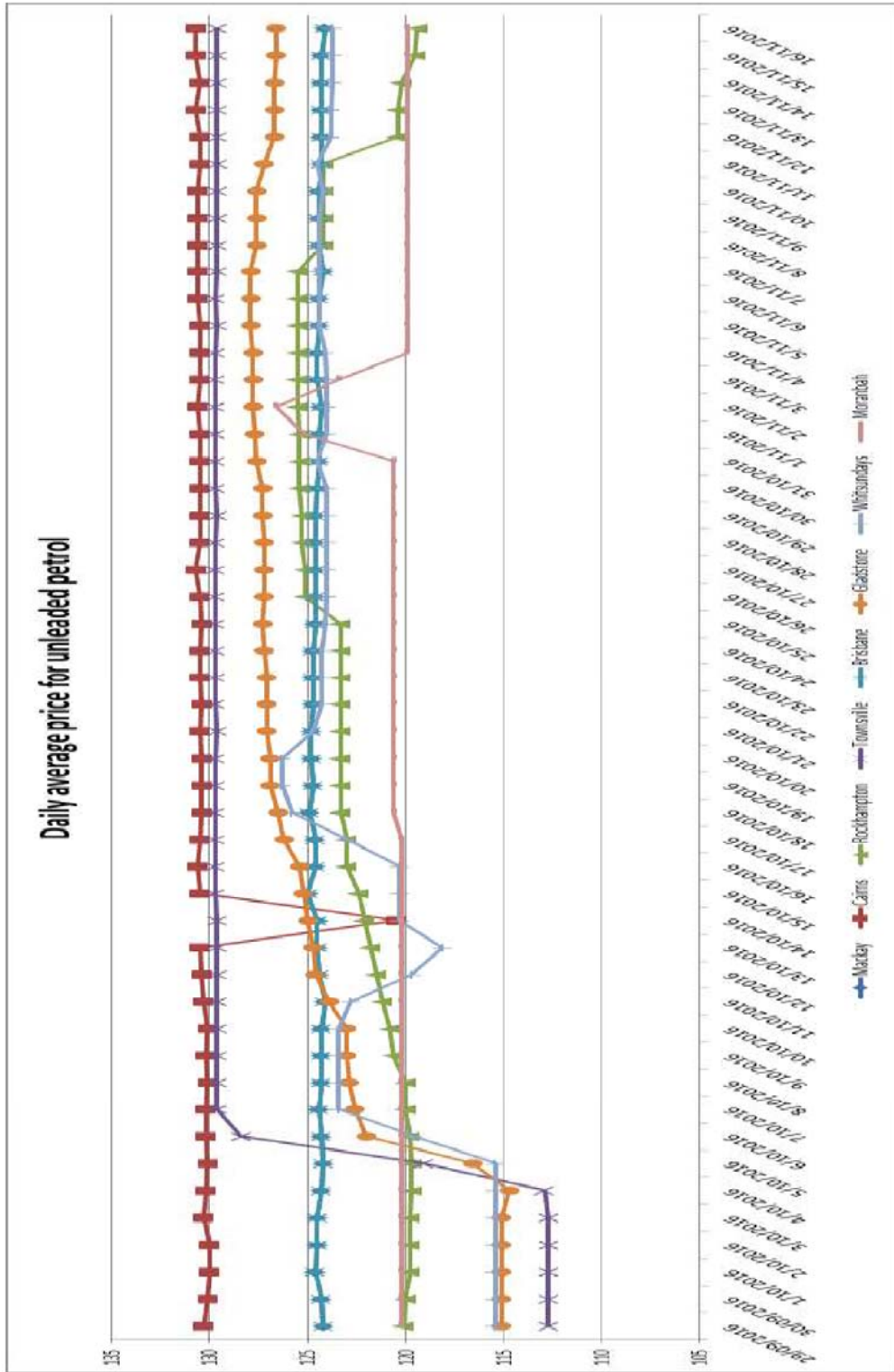
Of note that for a period of close to two weeks during late October - early November, Mackay's average unleaded retail price remained the same as it has been for the past 2 months(around 124-125c). However, during this time, the RACQ fair price increased to approximately the same amount, resulting in the first period that Mackay was considered to have a fair price since we began collecting this data. Shortly after, the fair price dropped back down to the range it usually is.

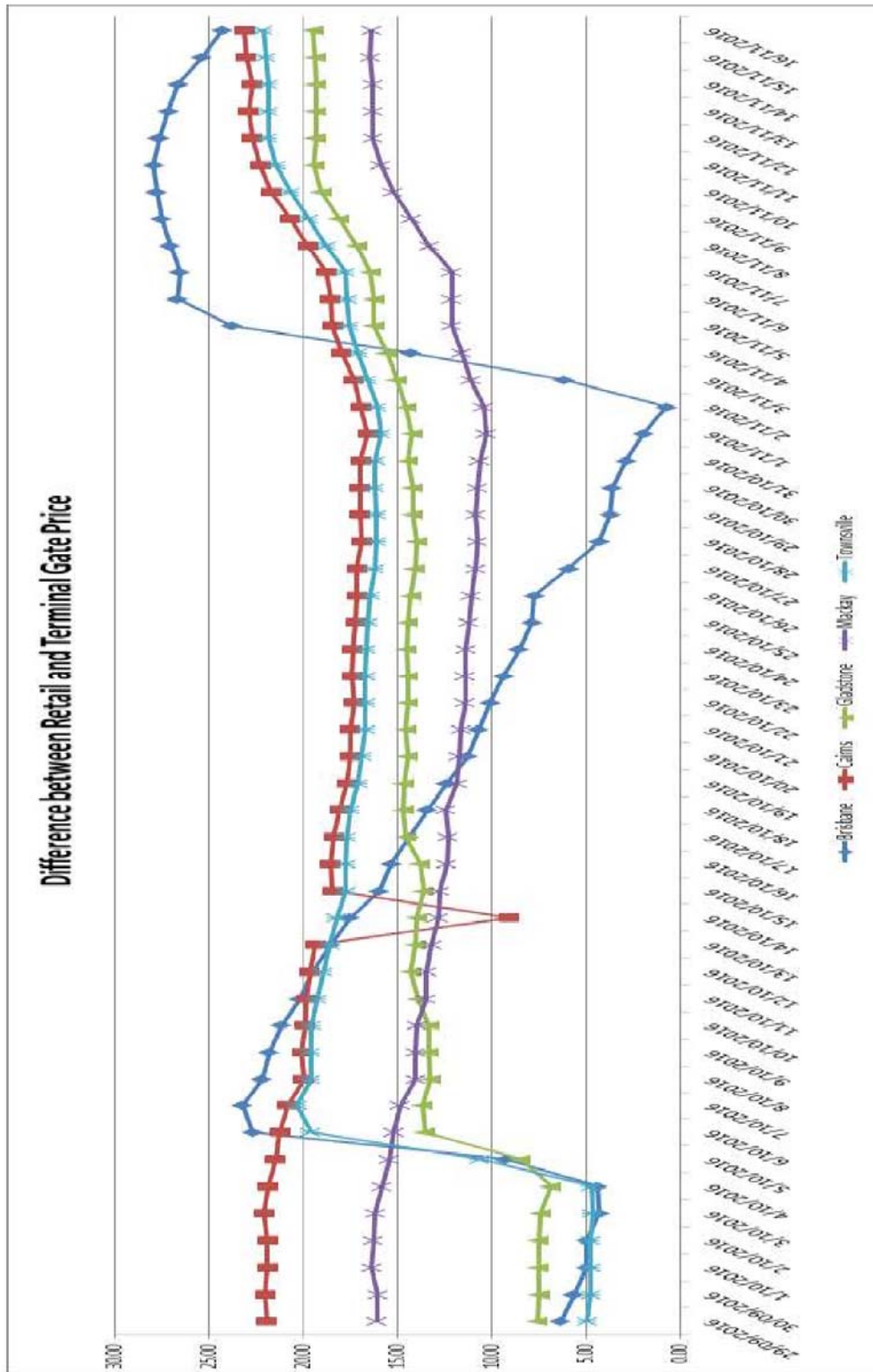
Staff was not able to source any information that would explain the increase in fair fuel prices at this time. At no other time has RACQ considered the Mackay price to be retailing at the fair price. The terminal gate prices did not differ greatly during the same period. It should be noted also, this change did not affect the diesel prices, which according to RACQ remained higher than the fair price.

During this time, it did not appear that any other cities we have been monitoring followed the same trend. Townsville's fair prices were similar to ours, however they were still retailing for a much higher price.

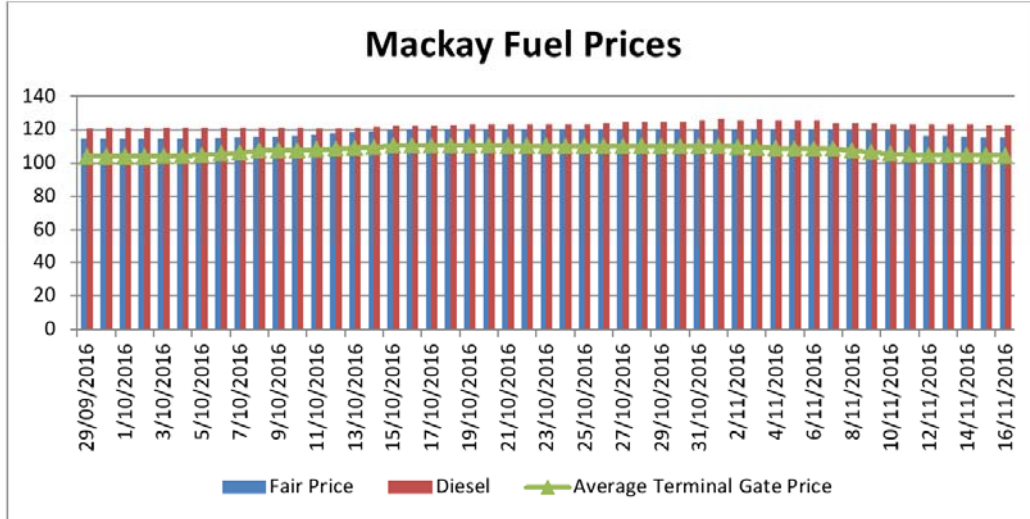
**Unleaded fuel**

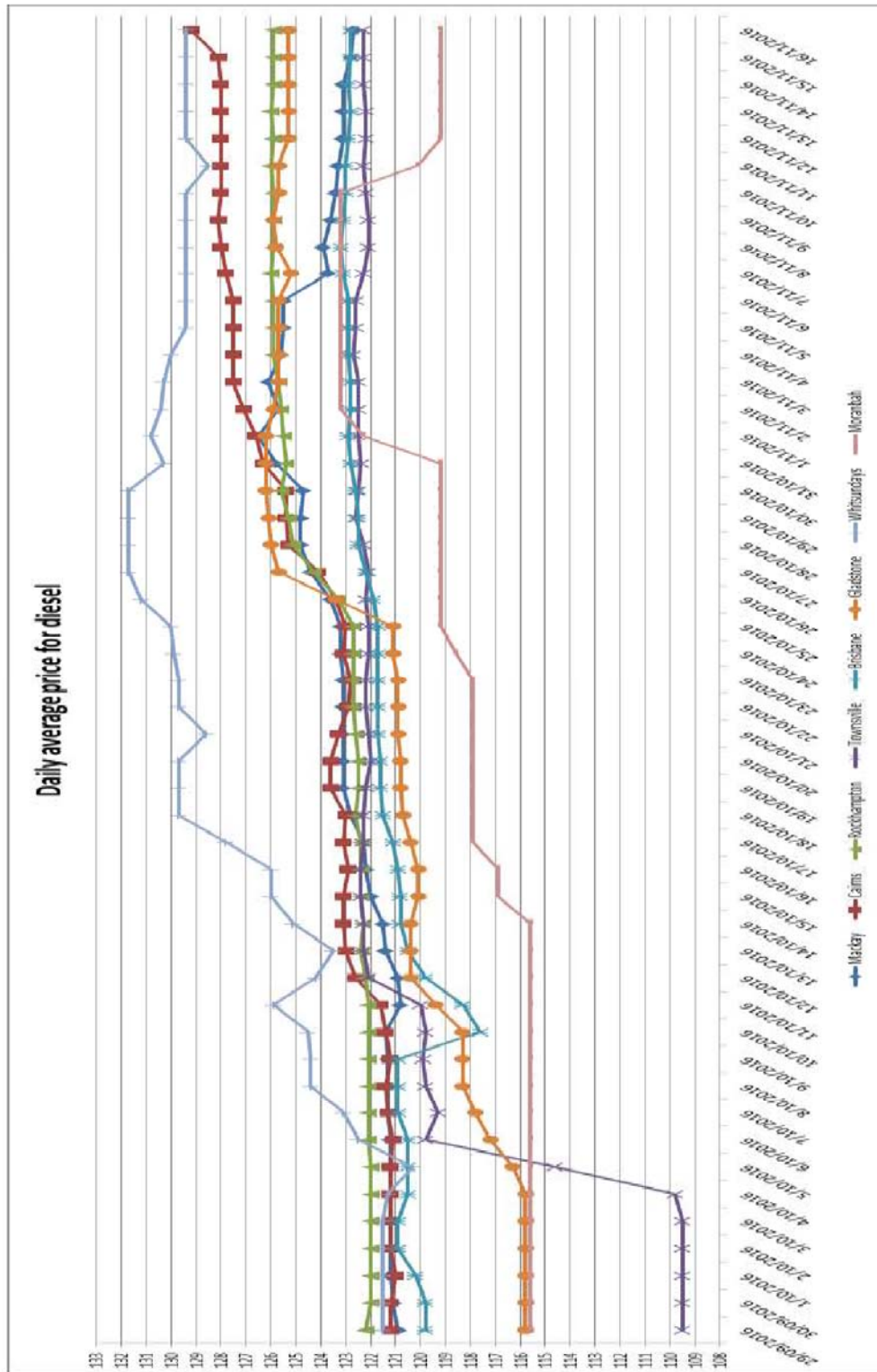


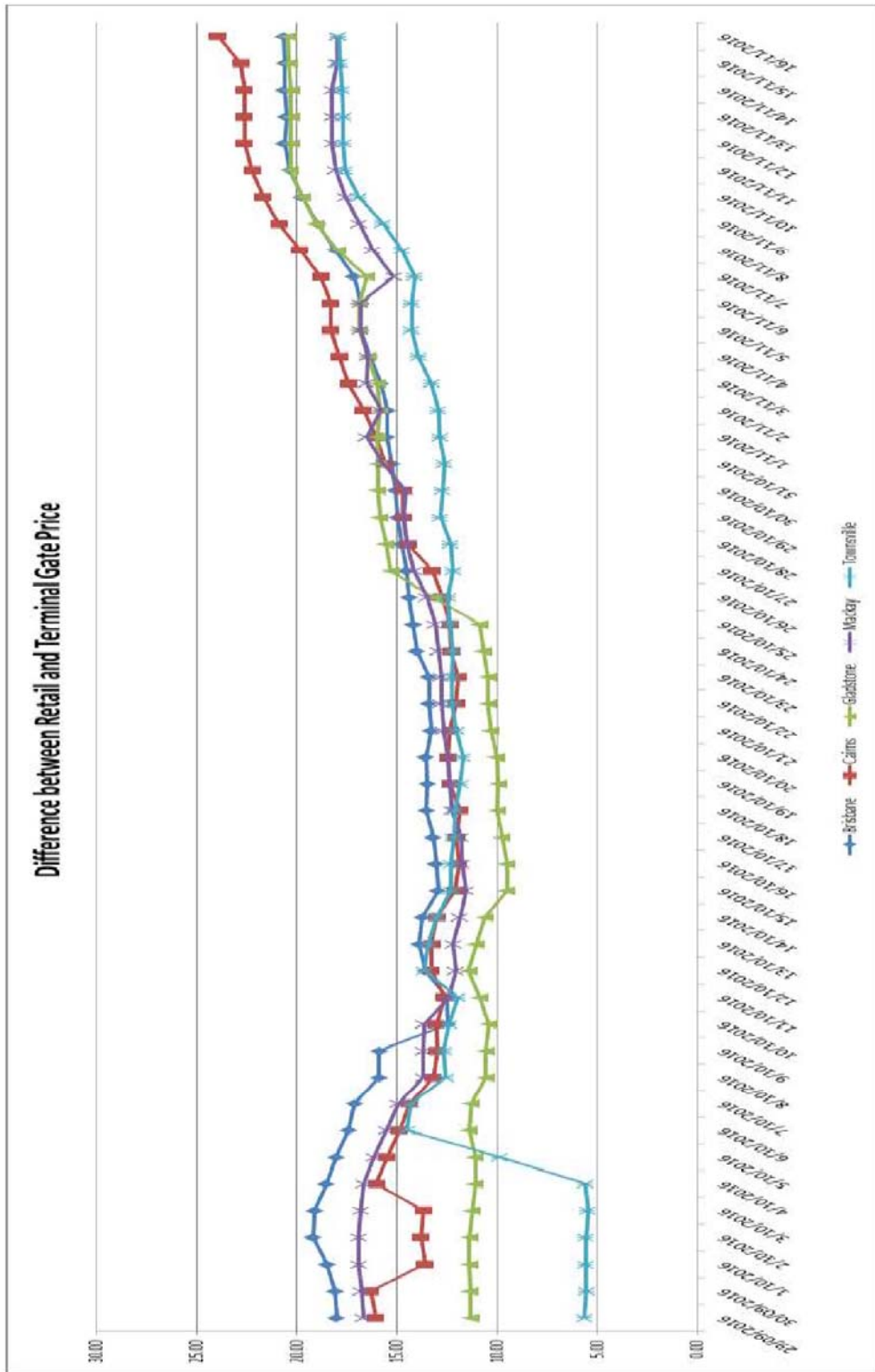




**Diesel Fuel**







### 3.6. Enterprise Agreement (EA) Negotiations Update

#### Background

Negotiations have commenced with the relevant Unions for a new Enterprise Agreement (EA), with the negotiations being chaired by the Director of Organisational Services. As CEO, and as with standard practice from other organisations and negotiations I have been involved in, I am not directly part of the negotiation process, although retain ultimate authority for any resulting terms and conditions.

The first meeting was held on 13 October 2016, and mostly included the process and protocols around the negotiations, including setting a range of future meeting dates. By all reports this meeting was held in good spirits and all parties were keen to work towards an ultimate outcome.

Mackay Regional Council's (Council) current EA technically expired on 30 June 2014, and included agreed increasing salary amounts until expiry. Whilst a number of attempts were made to hold negotiations for a new EA over the past couple of years, there has been a changing landscape regarding the underpinning Awards.

In the absence of being able to negotiate a new EA, Council's current EA is deemed to be 'continuing', on the same terms and conditions. The continuing EA provided for pay rate increases through to 30 June 2014, however there was no allowance for any increase past the expiry date of 30 June 2014.

Whilst controlled by the terms of the current EA and not able to reduce conditions, there is an ability to improve any conditions including pay rates. Such an arrangement, being a voluntary pay increase above the EA terms, is commonly known as an Administrative arrangement.

Council was previously presented with a report at its meeting of 27 April 2016 at which time it was resolved to endorse the decision for a 1.5% Administrative increase for each of the 2014/15, and 2015/16 years. This in effect addressed the inability to be able to undertake EA negotiations for the specified period, on the expectation that EA negotiations for the 2016/17 year and onwards would be possible.

The most recent advice is that the Award Modernisation Team of the Queensland Industrial Relations Commission (QIRC) is currently in the final stages of publishing an exposure draft for the Local Government Industry Award – State 2016 (2016 Award) following the introduction of the Local Government Industry (Interim) Award – State 2014 (2014 Interim Award). Whilst Council has commenced negotiations for a new EA with the associated Unions, in reality until the details of the new Awards are known such negotiations are not able to be finalised.

Given this situation, and after considering applicable CPI rates, the decision was made to grant a good faith Administrative increase of 1.5% to all employees back dated to 1 July, 2016 for the 2016/17 year. This payment is part of the larger strategy on managing costs through reviewing all vacant positions, reduced rates for residents in 2017/17 year and increasing productivity. This is to recognise the unique situation at present where by no fault of either party EA negotiations have not been able to commence until well into the 2016/17 year. Such increase was granted by me under delegation given it is both in line



with CPI and also covered within the adopted 2016/17 Budget. It was also made on the understanding that all Unions agreed to continue bargaining towards a new EA in good faith in the previously agreed timeframes, with the goal to have a new EA finalised well before the end of the 2016/17 financial year.

### **Summary**

Applying an Administrative increase to employees for the 2016/17 financial year (including backdating to 30 June 2016) is considered sensible and reasonable at this time and will allow future negotiations on the EA to occur in good faith in 2017 once the Award details have been finalised. Payments are proposed to be made in December 2016.